

Payment Undertaking Agreement

13.01.2025

This Agreement is made on the above-mentioned date by and between the following Parties:

- First Party: HMS Trading FZE, a company duly registered in UAE, with License No. 19632 represented by Mr. Masoud Mahdavi Ardakani (Chairman of Board) and Mr. Masoud Shamani (Managing Director)
- Second Party: Petro Point Limited, a company duly registered in Hong Kong with Registration No. 3317846 and Mr. Reza Dindar, with National ID No. 0322232521 jointly and severally referred to as the Second Party

Whereas:

- On 15.01.2023, a Partnership Agreement was signed by and between HMS Trading and Yalong Trading Limited under beneficial control of Mr. Reza Dindar;
- On 25.07.2024, a contract No. MCS-E/S/2024/3539 DTD 25.07.2024 was signed between NIOC and Ningbo Industrial Equipment for the sales of 2 million BBLs of Iranian Heavy Crude Oil (hereinafter “the Ningbo Cargo”);
- Ningbo Cargo was loaded on Vessel MOONBAY on 09.08.2024 from Kharg Island;
- Ningbo Cargo was sold to Yalong Trading Limited but due to certain issued Yalong Trading has not paid the cargo value to Ningbo;
- HMS has provided a bank guarantee to the benefit of NIOC for the above Ningbo Cargo and due to Yalong Trading failure to make due payment of Ningbo Cargo, HMS is liable for the total cargo value including the late payment interests to NIOC;
- Yalong Trading in accordance with its Letteer No. 403-1017-02/1 dated 17.10.1403 (06.01.2025) has requested HMS to issue a letter of guarantee in favour of Petro Point Limited (Yalong Trading nominated company) to the benefit of NIOC for the purchase of around 1.9 million BBL in accordance with NIOC Contract No. MCS/1403-1170 (MCS-E/S/2024/3567) dated 30.12.2024 (hereinafter the “Petro Point Contract”);
- In accordance with letter dated 11.01.2025, the Second Party has nominated MT URANUS (IMO 9307633) to load the cargo subject to the Petro Point Contract (hereinafter the “Petro Point Cargo”)

The Parties have agreed as per the following terms and conditions

1. The Second Party hereby fully, unconditionally and irrevocably accept the responsibility of full payment of the principal and interests of Ningbo Cargo to the First Party.
2. The Second Party hereby agrees to pay the total amount of USD 126,000,000/- (one hundred twenty-six million) (hereinafter the “Debt Amount”) from the sales of Petro Point Cargo to HMS nominated account, maximum before MT URANUS (or any alternative vessels as may be replaced by the Second Party), hereinafter the “Vessel” departs from the Load Port (Kharg Island).
3. The Second Party hereby agrees to put the Vessel under full and total control of the First Party and provide the First Party with a right to lien over the Petro Point Cargo until the full payment of the Debt Amount to the First Party nominated bank account. First Party may exercise its lien over the Petro Point Cargo and refuse to permit the Vessel depart from the Load Port until receipt of full Debt Amount. All waiting time costs, damages and demurrage during the lien exercise and until departure shall be borne by the Second Party.

4. In order to ensure its control over the Petro Point Cargo, the First Party shall directly appoint the load port agent, the agent shall be instructed directly from the First Party and the instruction for port clearance will be issued only upon receipt of Debt Amount. The agent's PDA invoice and FDA invoice shall be paid by the Second Party. All port and custom duties and charges shall be paid by the Second Party.
5. As soon as the Second Party pay the Debt Amount, the Vessel will be released to depart. However, if the Debt Amount is not paid until loading completion, the First Party's right to lien shall continue and the First Party shall have the right to take over the Petro Point Cargo and the Second Party shall transfer the cargo title to the First Party. The First Party shall have the right to sell the Petro Point Cargo to any third party and recover its loss and costs resulting from the Second Party failure to pay its debt relating to the Ningbo Cargo. the Second Party shall indemnify and hold the First Party harmless of any claims of the Second Party's receivers. In case, the Second Party does not cooperate with the First Party to sell the cargo to any third party, the First Party shall have the right to claim all its losses resulting from such failure and shall immediately refer to the Second Party' and Yalong's guarantees, the Second Party shall indemnify the First Party of Yalongs claims and objections.
6. This Agreement is governed by the laws of Iran and any disputes and differences is not settled amicably shall be finally settled in accordance with the Rules of Arbitration of Iran Chamber of Commerce (ACIC).

First Party

Second Party

HMS

Petero Point Limited

 
Reza Dindar